GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3031
ANSWERED ON:20.03.2007
ALLOCATION TO COTTON INDUSTRY UNDER TECHNOLOGY UPGRADATION FUND SCHEME .
Renge Patil Shri Tukaram Ganpatrao;Thummar Shri Virjibhai

Will the Minister of TEXTILES be pleased to state:

(a) the funds allocated under the Technology Upgradation Fund Scheme (TUFS) for cotton during the last three years, year-wise;

(b) the works which were proposed to be undertaken under the TUFS;

(c) whether inadequate funds are being allocated under TUFS as a result of which problems are being faced in adopting modern technology in production and marketing of cotton; and

(d) the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): The funds allocation under the TUFS is not fibre-based. However, it would be relevant to mention that the Indian textile industry is pre-dominantly in favour of cotton at the ratio 62:38 (Cotton: Non-cotton). The fund allocation under the TUFS during the last three years for all segments/fibres including cotton is as follows:-

S. No.	Year	Fund allocation (in Rs. Crore)
1.	2003-2004	249.07
2.	2004-2005	283.60
3.	2005-2006	485.00

(b): The TUFS provides the following benefits to the Indian textile industry: -

i). 5% interest reimbursement of the normal interest charged by the lending agency on rupee term loan (RTL); or
ii). Coverage of 5% exchange fluctuation (interest & repayment) from the base rate on foreign currency loan (FCL); or
iii). 15% credit linked capital subsidy for SSI textile and jute sector; or
iv). 20% credit linked capital subsidy for powerloom sector; or
v). 5% interest reimbursement plus 10% capital subsidy for specified processing machinery;
vi). 25% capital subsidy on purchase of the new machinery and equipments for the Pre-loom & post-loom operations, handlooms/upgradation of handlooms and testing & quality control equipments, for handloom production units.

(c): No, Sir.

(d): Does not arise.